

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 106 entitled “An act relating to selling real
4 property within a FEMA mapped flood hazard area” respectfully reports that it
5 has considered the same and recommends that the Senate propose to the House
6 that the bill be amended by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

8 Sec. 1. FINDINGS

9 The General Assembly finds:

10 (1) After recent catastrophic floods across the State of Vermont in
11 calendar year 2023, the General Assembly enacted certain disclosure
12 requirements on sellers of real property to notify buyers whether the real
13 property was located in a Federal Emergency Management Agency (FEMA)
14 mapped special or moderate flood hazard area.

15 (2) For portions of the State, no FEMA published flood insurance rate
16 map exists, and for portions of the State, the published flood insurance rate
17 map is not digitized, leaving certain sellers of real property at significant risk
18 of failing to comply with the disclosure requirements of Vermont law.

19 (3) A buyer is equally capable of identifying whether the real property is
20 within a FEMA mapped special or moderate flood hazard area.

1 (4) Requiring the seller to provide the buyer with a copy of the official
2 flood insurance rate map as opposed to requiring the seller to make a
3 determination of whether the property is within a flood insurance rate map is
4 equally as effective at putting the buyer on notice regarding the flood risks
5 associated with the purchase of the real property.

6 Sec. 2. 27 V.S.A. § 380 is amended to read:

7 § 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL
8 ESTATE

9 (a) Prior to or as part of a contract for the conveyance of real property, the
10 seller shall provide the buyer with the following information:

11 (1) ~~whether the real property is located in a Federal Emergency~~
12 ~~Management Agency mapped special flood hazard area; [Repealed.]~~

13 (2) ~~whether the real property is located in a Federal Emergency~~
14 ~~Management Agency mapped moderate flood hazard area; [Repealed.]~~

15 (3) a physical or electronic copy of the official flood insurance rate map,
16 as published by the Federal Emergency Management Agency, or notice that a
17 flood insurance rate map is unavailable effective for the community in which
18 the real property is located;

19 (4) whether the real property was subject to flooding or flood damage
20 while the seller possessed the property, including flood damage from
21 inundation or from flood-related erosion or landslide damage; and

1 ~~(4)~~(5) whether the seller maintains flood insurance on the real property.

2 (b) The failure of the seller to provide the buyer with the information
3 required under subsection (a) of this section is grounds for the buyer to
4 terminate the contract prior to transfer of title or occupancy, whichever occurs
5 earlier.

6 (c) ~~A buyer~~ If a seller of real estate ~~who~~ fails to ~~receive~~ provide the
7 information required to be disclosed by a seller under subsection (a) of this
8 section, a buyer may bring an action to recover from the seller the amount of
9 the buyer's damages and reasonable attorney's fees. The buyer may also seek
10 punitive damages when the seller knowingly failed to provide the required
11 information.

12 (d) A seller shall not be liable for damages under this section for any error,
13 inaccuracy, or omission of any information required to be disclosed to the
14 buyer under subsection (a) of this section when the error, inaccuracy, or
15 omission was based on information provided by a public body or by another
16 person with a professional license or special knowledge who provided a
17 written report that the seller reasonably believed to be correct and that was
18 provided by the seller to the buyer.

19 (e) Noncompliance with the requirements of this section shall not affect the
20 marketability of title of a real property.

1 Sec. 3. EFFECTIVE DATE

2 This act shall take effect on October 1, 2025.

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7 (Committee vote: _____)

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Senator _____

FOR THE COMMITTEE